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Chair: Mr. Talbot ..... (Guyana)

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The meeting was called to order at 10 a.m.

Organization of work

1. **The Chair** drew attention to document A/C.2/67/1 regarding the allocation of agenda items to the Committee, and to two changes in the provisional programme of work contained in document A/C.2/67/L.1.

Statement by the Chair

2. **The Chair**, outlining some of the issues the Committee would be addressing, said that the recent United Nations Conference on Sustainable Development (Rio+20) had secured renewed political commitment for advancing sustainable development. Moving towards that goal would require the mobilization of significant financial resources. Accelerating progress towards achievement of the Millennium Development Goals (MDGs) and for investments in sustainable growth, especially for the groups of countries in special situations, would therefore be given high priority at the current session. There would also be an opportunity for delegations to make concrete proposals for the establishment of an effective international regulatory framework for the financial sector.

3. Given the widely held view that the intergovernmental process of identifying sustainable development goals should be coordinated with the process of defining the post-2015 development agenda, the Committee would have to show leadership in establishing ways to advance those important aspects of the international development agenda.

4. Finally, he emphasized the need to focus attention on the more than 1 billion people struggling with acute hunger and malnutrition.

Statement by the Under-Secretary-General for Economic and Social Affairs

5. **Mr. Wu** Hongbo (Under-Secretary-General for Economic and Social Affairs) said that getting the world onto a more sustainable development path remained a high priority. Efforts to reshape the United Nations development work consisted of three ongoing processes, namely, following up on Rio+20, preparing for the post-2015 United Nations development agenda and strengthening global economic governance.

6. As part of the first process, the General Assembly would be promoting agreements on sustainable development goals, developing a mechanism to facilitate the dissemination of eco-friendly technologies, and adopting a 10-year framework of programmes to encourage sustainable consumption and production patterns. In relation to the second process — which would include the implementation of the MDGs — his Department and the United Nations Development Programme (UNDP) would be leading the task team responsible for planning.

7. As for the third — strengthening global economic governance — it remained a work in progress. Achieving a more stable and development friendly global financial system was crucial for the health of the world economy.

8. The upcoming deliberations on the Quadrennial Comprehensive Policy Review (QCPR) would largely define how the United Nations system operated for years to come. The entire United Nations system was looking to the Committee for leadership. He therefore wished it success.

Keynote address by Professor James Robinson, David Florence Professor of Government, Harvard University

9. **Mr. Robinson** (Harvard University) said that economic growth was driven by new ways of producing things, including innovation and technical growth. To have growth, a society must harness the skills, energies and ambitions of all its members. Societies that were poor had failed to use those attributes.

10. Income differences within the Americas were due to the ways in which institutions had formed in the various parts of the American continent. Pre-colonial societies in what, currently, was Latin America had been much more advanced economically, technologically and politically than in North America, enforcing laws and raising taxes. The Spanish had conquered those societies and had reorganized the economy with a view to exploiting the indigenous people. Their imprint continued to be visible: in the areas affected, current inhabitants consumed less per capita, were less inclined to participate in market activities, and were less educated.

11. When the British had started colonizing Virginia and had attempted to implement the same blueprint, they had failed, in part because, North America's indigenous people had not been centralized politically. Eventually, in order to entice more British settlers, the Virginia Company had offered economic incentives

and political rights, for instance the franchise for adult males. Thus, a different type of social structure had emerged in the United States, eventually more, inclusive and economically successful than that of many countries in Latin America.

12. Moreover, contrary to the situation in such countries as Argentina or Brazil where oligarchic distribution had perpetuated the initial colonial conditions, frontier land in the United States had been allocated through a more democratic political system, creating dynamic social mobility.

13. Although not intended to play down the significance of such things as discrimination against blacks which had lasted until the middle of the 1960s — the sharp dichotomy between inclusive and extractive institutions showed that a society's economic success was due to its ability to harness its people's talents and skills.

14. Emphasizing the relationship between politics and economic institutions he said that an effective centralized State was necessary for an inclusive economic structure. In many sub-Saharan countries after independence, such as the Democratic Republic of the Congo during President Mobutu's long dictatorship, the problem had been both the lack of an effective central State and an unequal distribution of political power in society.

15. Finally, he said that there were many types of power structures within society that blocked people's opportunities and it was not the role of academic theorists to offer specific advice on problems that required knowledge of many local details. While development aid was a powerful way of alleviating poverty, it did not address the fundamental forces that promoted economic development.

16. **Mr. Souissi** (Morocco) asked how Mr. Robinson viewed the Arab Spring and whether a comparison could be drawn between the Arab Spring and the experience of the countries of Eastern Europe.

17. **Mr. Holtz** (United Kingdom) asked what Mr. Robinson meant by a strong centralized State.

18. **Mr. Robinson** (Harvard University) said that the Arab Spring was the process of people moving from more extractive institutions to a more inclusive society. Whether the process succeeded would depend on the nature of forces in the conflict. Although some Eastern European countries — for instance Poland, Hungary and Romania — had suffered more conflict during their respective transitions it was difficult to compare their situations to the current one in the Arab world. A struggle for power did not necessarily mean there would be a change in the way a country was governed. The only similarity was that in Eastern Europe — as in the Arab world — people were fighting for a more open and free society. There was no way of predicting the outcome.

19. By a strong centralized State he meant one with the ability to raise taxes, regulate society and provide public goods while that might seem to be in contradiction with the broad distribution of political power, the two elements could work together or against each other and, in fact, both necessary.

20. **Mr. Mero** (United Republic of Tanzania) asked what was the link between innovation and the developmental State.

21. **Mr. Traore** (Senegal) asked what factors caused nations to fail and what remedies could bring about economic recovery and promote development.

22. **Ms. Begum** (World Tourism Organization) asked what factors other than discrimination contributed to youth unemployment.

23. **Mr. Robinson** (Harvard University) said that there was no separate category of "developmental" States. A State could be developmental or anti-developmental depending on how political power and authority were distributed in society. The Republic of Korea under General Park, though not "inclusive", had been very active in promoting industrialization and development. It had been the subsequent transition away from military rule to a much more inclusive political society that had allowed that country's economic growth to be sustained over time.

24. Taking the question regarding nations' failure to refer to a complete collapse of authority, as in Afghanistan, Sierra Leone during the 1990s or the Democratic Republic of the Congo during President Mobutu's dictatorship, he said that extractive economic and political institutions could bring about a struggle over power and ultimately the destruction of the State. The problem was political rather than economic. There was no recipe for dealing with those extreme outcomes.

25. Unemployment could be affected by many factors. In many societies, however, there seemed to be

considerable discrimination against young persons. One of the main theories about the civil war in Sierra Leone was that the conflict had been fuelled, if not started, by discontent due to the alienation of young persons, especially in rural areas.

26. **Mr. Souissi** (Morocco) asked how the conceptual antagonism between democratic decentralization and centralized power could be resolved for the benefit of the citizens concerned.

27. **Mr. Tache-Menson** (Ghana), citing the example of certain countries in Asia and southern Africa, asked whether a closed political system might be initially necessary, and eventually open up, in order to ensure development.

28. **Mr. Empole** (Democratic Republic of the Congo) asked whether, the rehabilitation of centralized political power should take place at the level of federal provinces or of a central national Government.

29. **Mr. Robinson** (Harvard University), referring to the issue brought up by the representatives of Morocco and the Democratic Republic of the Congo with regard to democratic decentralization and centralized power, or federalism and centralization, said that in the United States federalism had been bottom up insofar as, at the beginning, the various States had exercised quasi-independent foreign policies and kept their own armies. In the Democratic Republic of the Congo, however, the creation of the State had been very different. Currently, a pragmatic approach should perhaps be taken. The focus should probably be on the provision of many national public goods that the country needed and that would be difficult for provincial governments to provide. At the same time, other considerations, might favour federalism. In some cases there was perhaps a contradiction between national and local. In an inclusive political society, however, those elements should tend to complement rather than fundamentally conflict with each other.

30. **Mr. Sul** Kyung-hoon (Republic of Korea), noting that there had been a time gap between economic development under President Park and the achievements of economic institutions, asked how Mr. Robinson would explain the transition from authoritarian to democratic development. He also asked what were the inadequacies of development aid and whether it could be improved.

31. **Ms. Williams** (Grenada), asked whether the type of Government mattered in building the strong central State needed to ensure the redistribution necessary for overcoming the rigidities of the extractive colonial system. She also inquired as to how innovation and youth could be promoted in the face of lingering colonial legacies.

32. **Mr. Wennubst** (Switzerland) asked Mr. Robinson to identify three or four key elements that constituted a very strong central Government.

33. **Mr. Llorentty Solíz** (Plurinational State of Bolivia), noting that development also depended on the international context, inquired as to Mr. Robinson's views on the impact of policies inspired by the Washington Consensus and of corporations bigger than States on the development of various regions.

34. **Mr. Benmehidi** (Algeria) noted that the subject of the interactive discussion was irrelevant to the Committee's work during the current session and stressed that, given the limited capacities of developing countries, federalism might be an unaffordable luxury.

35. Speaking on behalf of the Group of 77 and China, he stressed that the rule of law, decentralization and ultimately federalism should apply not only at the national, but also at the international level. In all transnational corporations, decision-making was centralized at a single place. The issue of ensuring that strategic decisions were centralized at the national level while enhancing participation at the international level was relevant to the discussion. In any case, federalism or decentralization could never be a substitute for the right of peoples living under foreign and colonial occupation to self-determination.

36. **Mr. Mousa** (Côte d'Ivoire) asked Mr. Robinson to outline an international relations theory correlating economic development and relationships between States and to indicate to what intellectual current he belonged.

37. **Mr. Robinson** (Harvard University), replying to the preceding statements and queries, pointed out that the emphasis on equal educational opportunities during the military regime in the Republic of Korea had led to large-scale innovation. Some felt that development aid, had resembled colonialism in that it had propped up various political regimes. During the cold war, international aid had been used in a very political

manner. Overall development aid had been marginal to the countries' economic trajectories.

38. By political centralization he had meant effective government, which could operate in many ways. There was considerable scope for trade-offs between centralization and decentralization but the typology of power centralization was of secondary significance and subject to no general rule. In Bolivia and other sovereign States, it was for the people to decide which way to go. Within an inclusive society, it was perfectly consistent to have either collective or private ownership of assets. In general, internal institutional and political dynamics were more important than a nation State's interaction with the international system. In fact, international relations theory should be avoided.

39. **Mr. Souissi** (Morocco), noting that, as a result of the current economic and financial crisis, national interests in many cases took precedence over the multilateral approach, inquired as to ways to avoid the weakening of multilateralism in the face of crises.

40. **Mr. Robinson** replied that he had no satisfactory answer.

The meeting was suspended at 12.20 and resumed at 12.30.

41. **The Chair**, said that he had discussed the order of speakers with the representatives of the major groups and the list of speakers had been revised. However, that should not be regarded as setting a precedent.

General debate

42. **Mr. Benmehidi** (Algeria), speaking on behalf of the Group of 77 and China, expressed regret that, in spite of the ongoing world financial and economic crisis and the common attendant problems, the General Assembly had been unable even to address the issue of the follow up of the issues contained in the outcome document of the 2009 Conference on the World Financial and Economic Crisis and its Impact on Development. Moreover, the Group was deeply concerned that many development partners had not fulfilled their ODA commitments.

43. The United Nations was the only global body having the unquestioned legitimacy required for seeking global economic governance with a view to reaching balanced and sustainable economic development. While the Group took note of the recent developments in the Bretton Woods institutions, a much more ambitious reform process was called for. Discussions on any post-2015 development framework should start with an analysis of the present MDG agenda and an assessment of what had and what had not worked. Any such framework must be intergovernmental and take into account how the context for development had changed. The quantity, quality and predictability of development assistance from the United Nations system constituted a priority for developing countries. Thus the growing imbalance between core and non-core resources for operational activities must be addressed. Moreover, South-South cooperation was a complement to, not a substitute for, North-South cooperation and deserved its own independent promotion.

44. Welcoming the outcome of Rio+20, he stressed that climate change not only undermined the countries' prospects for achieving sustainable development, but threatened their very existence. International action was urgently required to address desertification, land degradation and drought. Biological diversity was crucial to sustainable development. Enhanced efforts were needed to assist small island developing States in implementing the Barbados Programme of Action, and to address the special needs of the least developed countries and the challenges faced by middle-income countries.

45. Finally, the Group called for the removal of obstacles preventing peoples living under foreign occupation from achieving sustainable development and self-determination. Illegal actions committed under foreign occupation must be brought to a complete halt in accordance with the provisions of international humanitarian law.

46. **Ms. Bethel** (Bahamas), speaking on behalf of the Caribbean Community (CARICOM) reiterated the Group's call for enhanced access to grant and concessionary financing from the multilateral development banks to assist the region's countries to rebound from the crisis, pointing out that greater flexibility was needed in the rules of Washington-based multilateral institutions, which tended to "graduate" middle-income developing countries on the basis of per capita income statistics alone. CARICOM supported the recommendation, contained in the report of the Secretary-General on development cooperation with middle-income countries (A/66/220), to establish a high-level panel or an ad hoc working group. Those

countries' concerns should also be taken into account in the upcoming QCPR.

47. With regard to the follow-up to Rio+20, CARICOM was particularly interested in the mandate given to the United Nations Statistical Commission to develop broader measures of progress to complement GDP; it considered agreement on the modalities for the third international conference on small island developing States, in 2014, to be a priority. The Committee would soon be considering a draft resolution on the sustainable development of the Caribbean Sea. CARICOM urged delegations to support the draft resolution which would, inter alia, provide for the designation of the Caribbean Sea as a special area in the context of sustainable development.

48. The upcoming Conference to be held in Doha should ensure that in 2020 the world would be on track to meet the globally agreed goals regarding climate change. Inter alia, it should ensure that all arrangements necessary for a legally binding second commitment period under the Kyoto Protocol were finalized. Finally, CARICOM believed that the Committee should not be another forum for climate change negotiations and that the relevant resolution to be adopted at the current session should be procedural in nature.

49. **Mr. Errázuriz** (Chile), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that the United Nations should play the central role on issues relating to global economic and financial governance and development. United Nations operational activities for development were being hindered by the growing imbalance between core and non-core resources. CELAC was in favour of holding a new conference on financing for development in 2013 to find tangible solutions to the development challenges faced by developing countries. It was concerned at the decline in ODA and called on all developed countries to fulfil their ODA commitments. Innovative mechanisms of financing for development should be viewed as complementary to, not a substitute for, ODA. Likewise, while acknowledging the role played by South-South cooperation in the development of programmes to improve sustainable development, CELAC believed that it was not a substitute for North-South cooperation.

50. The Rio+20 Conference had shown that consensus-building through inclusive negotiations was the right way to deal with global challenges. Efforts should now be focused on implementing what had been agreed to, inter alia through the design of sustainable development goals. At the same time he drew attention to the contribution that local and indigenous communities could make to sustainable development through the sharing of their traditional knowledge. The Quito Declaration, which had been adopted by the Ministers of the Environment of CELAC at their recent meeting in Ecuador, had been a significant step towards sustainable development in the region.

51. With regard to climate change, CELAC urged developed countries to lead the way in fulfilling the agreements adopted in Cancun and Durban by the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and stressed the need for a legally binding second commitment period under the Kyoto Protocol. It also called for the adoption of urgent measures to halt and reverse the loss of biodiversity, implement the Strategic Plan for Biodiversity 2011-2020 and attain the Aichi Biodiversity Targets. Disaster risk reduction should be included in development programmes at all levels. Moreover, a structural response to the issue of food security should include agricultural development, improved food distribution, agricultural trade reform and action to curb excessive price volatility. In their connection he drew attention to the declaration of 2013 as International Year of Quinoa.

52. Finally, given the importance of the Caribbean Sea to current and future generations, CELAC called upon the international community to support the designation of the Caribbean Sea as a special area in the context of sustainable development.

The meeting rose at 1.15 p.m.